

§ 4280.181

CFR part 1940, subpart G. When construction is not a component of the study, feasibility studies are considered planning assistance, which are categorically excluded from the environmental review process by § 1940.310 of this title.

(b) *Evidence of other funds.* Applicants expecting funds from other sources for use in completing projects being partially financed with Agency funds shall present evidence of the commitment of these funds from such other sources prior to disbursement of grant funds.

§ 4280.181 Awarding and administering feasibility study grants.

Renewable energy system feasibility study grants will be awarded and administered in accordance with Departmental regulations and paragraphs (a) through (e) of this section.

(a) *Letter of conditions.* The Agency will notify the approved applicant in writing, setting out the conditions under which the grant will be made. The notice will include those matters necessary to ensure that the proposed grant is completed in accordance with the terms of the scope of work and budget, that grant funds are expended for the feasibility study, and that the applicable requirements prescribed in the relevant Departmental regulations are complied with. The Letter of Conditions will be sent to the applicant.

(b) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the Letter of Conditions, the applicant must complete, sign and return a Form RD 1942-46, "Letter of Intent to Meet Conditions," to the Agency; or if certain conditions cannot be met, the applicant may propose alternate conditions to the Agency. The Agency must concur with any changes proposed to the Letter of Conditions by the applicant before the application will be further processed.

(c) *Forms and certifications.* The forms specified in paragraphs (c)(1) through (c)(6) of this section will be attached to the letter of conditions referenced in paragraph (a) of this section. The forms specified in paragraphs (c)(1) through (c)(5) of this section and all of the certifications must be submitted prior to grant approval. The form specified in paragraph (c)(6), which is to be com-

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pleted by the contractor (if any), does not need to be returned to the Agency, but must be kept on file.

(1) Form AD-1047.

(2) Form AD-1049.

(3) Either Form SF-LLL or Exhibit A-1 of RD Instruction 1940-Q.

(4) Form RD 400-1.

(5) Form RD 400-4.

(6) Form AD-1048.

(d) *Grant approval.* The applicant will be sent a copy of the executed Form RD 1940-1, the approved scope of work, and Form RD 4280-2. Form RD 1940-1 must be signed by the applicant.

(e) *Grant agreement.* Prior to grant disbursement, but after grant obligation, the applicant must complete, sign, and return Form RD 4280-2. The grantee must abide by all requirements contained in Form RD 4280-2, this subpart, and any other applicable Federal statutes or regulations. Failure to follow these requirements may result in termination of the grant and adoption of other available remedies.

§ 4280.182 Servicing feasibility study grants.

Feasibility study grants will be serviced in accordance with Departmental regulations; 7 CFR part 1951, subparts E and O; and paragraphs (a) through (n) of this section.

(a) *Inspections.* Grantees will permit periodic inspection of the project records and operations by a representative of the Agency.

(b) *Programmatic changes.* The grantee shall obtain prior Agency approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget may result in suspension, termination, and recovery of grant funds.

(c) *Changes in project cost or scope.* If there is a significant reduction in project cost or changes in project scope, the applicant's funding needs, eligibility, and scoring, as applicable, will be reassessed. Decreases in Agency funds will be based on revised project costs and other selection factors; however, other factors, including Agency regulations and Notices used at the time of grant approval, will remain the same. Obligated grant funds not needed

to complete the project will be de-obligated.

(d) *Transfer of obligations.* Subject to Agency approval, an obligation of funds established for a grantee may be transferred to a different (substituted) grantee provided:

- (1) The substituted grantee
 - (i) Is eligible;
 - (ii) Has a close and genuine relationship with the original grantee; and
 - (iii) Has the authority to receive the assistance approved for the original grantee; and
- (2) The type of renewable energy technology and the scope of the project for which the Agency funds will be used remain unchanged.

(e) *Financial management system and records.* Grantees are required to maintain a financial management system and records in accordance with Departmental regulations.

(f) *Fund disbursement.* Grant funds will be expended on a pro rata basis with matching funds.

(1) Requests for reimbursement may be submitted monthly or more frequently if authorized to do so by the Agency. Ordinarily, payment will be made within 30 days after receipt of a proper request for reimbursement.

(2) The Grantee shall not request reimbursement for the Federal share of amounts withheld from contractors to ensure satisfactory completion of work until after it makes those payments.

(3) Payment shall be made by electronic funds transfer.

(4) Standard Form 270, "Request for Advance or Reimbursement," or other format prescribed by the Agency shall be used to request grant reimbursements.

(5) For renewable energy system feasibility studies, grant funds will be disbursed in accordance with the above through 90 percent of grant disbursement. The final 10 percent of grant funds will be held by the Agency until a feasibility study acceptable to the Agency has been submitted.

(g) *Deobligation of grant funds.* Funds remaining after all costs incident to the project have been paid or provided for are subject to deobligation.

(h) *Monitoring of project.* Grantees are responsible for ensuring that all activities are performed within the approved

scope of work and that funds are only used for approved purposes. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, financial resources are being appropriately expended by contractors (if applicable), and any other performance objectives identified in the scope of work are being achieved. The Agency will monitor grantees to ensure that activities are performed in accordance with the Agency-approved scope of work and to ensure that funds are expended for approved purposes. The Agency's monitoring of grantees neither relieves the grantee of its responsibilities to ensure that activities are performed within the scope of work approved by the Agency and that funds are expended for approved purposes only nor provides recourse or a defense to the grantee should the grantee conduct unapproved activities, engage in unethical conduct, engage in activities that are or give the appearance of a conflict of interest, or expend funds for unapproved purposes.

(i) *Federal financial reports.* A SF-425, "Federal Financial Report," and a project performance report will be required of all grantees on a semiannual basis. The grantee will complete the project within the total sums available to it, including the grant, in accordance with the scope of work and any necessary modifications thereof prepared by the grantee and approved by the Agency. The final federal financial report must be submitted to the Agency within 90 days after the feasibility study has been completed.

(j) *Performance reports.* Grantees must submit to the Agency, in writing, semiannual performance reports and a final performance report. Grantees are to submit an original of each report to the Agency.

(1) *Semiannual performance reports.* Each semiannual performance report shall describe current progress and identify any problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives or prevent meeting time frame for completion of the feasibility study within 2 years. This disclosure shall be accompanied

by a statement of the action taken or planned to resolve the situation.

(2) *Final performance report.* A final performance report, which will serve as the last semiannual performance report, will be required within 90 days after the feasibility study has been completed. The final performance report shall summarize any problems, delays, or adverse conditions, if any, which have affected the project objectives or prevented meeting time frames for completion of the feasibility study. The final performance report should indicate if the grantee intends to proceed with the construction of the project.

(k) *Final deliverables.* Upon completion of the feasibility study, the grantee shall submit the following to the Agency:

- (1) The project feasibility study; and
- (2) SF-270.

(l) *Renewable energy feasibility studies.* Beginning the first full year after the feasibility study has been completed, grantees shall report annually for 2 years on the following:

(1) Is the renewable energy system project for which the feasibility study was conducted underway? If “yes,” describe how far along the renewable energy system project is (e.g., financing has been secured, site has been secured, construction contracts are in place, project is completed).

(2) Is the renewable energy system project complete? If so, what is the actual amount of energy being produced?

(m) *Other reports.* For clarification purposes, the Agency may request any additional project and/or performance data for the project for which grant funds have been received.

(n) *Grant close-out and related activities.* Grant close-out and related activities shall be performed in accordance with the Departmental Regulations. In addition, failure to submit satisfactory reports on time under the provisions of paragraphs (i) through (m) of this section may result in the suspension or termination of a grant. The provisions of this section apply to grants and subgrants.

§§ 4280.183–4280.185 [Reserved]

ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT ASSISTANCE GRANTS

§ 4280.186 Applicant eligibility.

To be eligible for an energy audit grant or a renewable energy development assistance grant under this subpart, the applicant must meet each of the criteria, as applicable, specified in paragraphs (a) through (c) of this section. The Agency will determine an applicant’s eligibility.

(a) *Type of applicant.* The applicant must be one of the following:

- (1) A unit of State, tribal, or local government;
- (2) A land-grant college or university, or other institution of higher education;
- (3) A rural electric cooperative;
- (4) A public power entity; or
- (5) An instrumentality of a State, tribal, or local government.

(b) *Capacity to perform.* The applicant must have sufficient capacity to perform the energy audit or renewable energy development assistance activities proposed in the application to ensure success. The Agency will make this assessment based on the information provided in the application.

(c) *Legal authority and responsibility.* Each applicant must have, or obtain, the legal authority necessary to carry out the purpose of the grant.

§ 4280.187 Project eligibility.

To be eligible for an energy audit or a renewable energy development assistance grant, the grant funds for a project must be used by the grant recipient to assist agricultural producers or rural small businesses located in a State in one or both of the purposes specified in paragraphs (a) and (b) of this section, and shall also comply with paragraphs (c) through (e), and, if applicable, paragraph (f) of this section.

(a) Grant funds may be used to conduct and promote energy audits that meet the requirements of the energy audit as defined in this subpart. Energy audits must cover the following:

- (1) *Situation report.* Provide a narrative description of the facility or